LISTING STATEMENT No. 1931

LISTED October 1st, 1956
2,698,096 shares of $1.33⅓ par value
Ticker abbreviation CFD
Post Section 10

TORONTO STOCK EXCHANGE

LISTING STATEMENT

CONSOLIDATED FOODS CORPORATION

(Chartered on September 4, 1941, by the State of Maryland)

COMMON STOCK—$1.33⅓ par value

CAPITAL SECURITIES AS AT SEPTEMBER 14, 1956

	Authorized	Issued and Outstanding	Reserved for Issuance	To be Listed
Common Stock—$1.33⅓ par value	3,600,000	1,836,734	861,362	2,698,096
Preferred Stock—$50 par value unclassified	100,000	None	None	None
5¼% Cumulative Preferred Stock	134,212	134,212	None	None

September 14, 1956

1. APPLICATION

CONSOLIDATED FOODS CORPORATION, a corporation chartered by the State of Maryland (hereinafter called the "Company"), hereby makes application for the listing on the Toronto Stock Exchange (hereinafter called the "Exchange") of

1,836,734 shares of common stock of the par value of $1.33⅓ per share issued and outstanding as of the close of business on this day, and

87,500 shares of common stock of the par value of $1.33⅓ per share, upon official notice of issuance, pursuant to the terms of the Consolidated Foods Corporation Stock Option Plan for Key Executives, and

412,177 shares of common stock of the par value of $1.33⅓ per share, upon official notice of issuance, pursuant to conversion into common stock of 5¼% Cumulative Preferred Stock, in accordance with the terms thereof, and

196,795 shares of common stock of the par value of $1.33⅓ per share, upon official notice of issuance, pursuant to an Agreement dated May 31, 1956, between the Company and Piggly Wiggly Midwest Co., and

164,890 shares of common stock of the par value of $1.33⅓ per share, upon official notice of issuance, pursuant to two agreements dated August 6, 1956, between the Company and Kitchens of Sara Lee, Inc. and Sara Lee Distributing Co., Inc.

making the total amount of stock for the listing of which application is made 2,698,096 shares of common stock of the par value of $1.33⅓ per share.

2. HISTORY AND BUSINESS

Consolidated Foods Corporation was organized under the laws of the State of Maryland on September 4, 1941, as the South Street Company. The Company's name was changed by charter amendment on September 8, 1941, to The C. D. Kenny Company; on October 8, 1942, to Sprague Warner-Kenny Corporation; on May 29, 1945, to Consolidated Grocers Corporation; and on February 24, 1954, to Consolidated Foods Corporation. The business of the Company is the processing, distribution and sale of food and related products.

The Company has a total of approximately 6,000 regular employees, and it employs approximately 6,000 additional employees during the seasonal packing and canning periods.

Net sales of the Company and its subsidiaries for the past five fiscal years, on a consolidated basis, are as follows:

Year ending June 30	Sales
1952	$195,831,837
1953	212,413,582
1954	230,675,745
1955	224,786,676
1956	268,252,695

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

(1) Wholesale Distribution. The Company has eight distributing divisions or subsidiaries: E. A. Aaron & Bros., Inc., Dannemiller Grocery Division, Griggs Cooper Division, International Division, Lee Foods Division, Monarch Finer Foods Division, Sprague Warner Division, and Western Grocer Division. Collectively, these distributing operations are engaged in the wholesale grocery business, selling foods and other wholesale grocery or related items to retailers and institutions throughout the United States, in Hawaii, Alaska, Puerto Rico, and, to some extent, in foreign countries. Sales are also made to certain voluntary groups of retailers to whom, in certain instances, the Company also furnishes advertising, accounting and merchandising services and advice.

In most instances, the bulk of the business conducted by the distributing divisions and subsidiaries, respectively, was conducted for a considerable number of years prior to the acquisition of such businesses by the Company, by companies having names similar to such divisions. In 1942 the Company acquired for cash substantially all of the stock of Sprague Warner & Company, an Illinois corporation whose business dates back to 1842. In 1944 the Company acquired for cash in excess of eighty per cent (80%) of the common stock of Western Grocer Company, an Iowa corporation, which was incorporated and began business in 1901. Western Grocer Company, in turn, owned all of the stock of Marshall Canning Company, an Iowa corporation, and operated Western Grocer Mills as a division, both of which were engaged in canning and processing food products, a substantial part of which were sold to other jobbers. In 1945 the Company purchased for cash substantially all of the stock of Dannemiller Grocery Company, an Ohio corporation, the business of which had been founded in 1869, and substantially all of the stock of Reid Murdoch & Co., an Illinois corporation, the business of which had first been established in Chicago in 1865. Reid Murdoch & Co., in addition to its jobbing business, owned and operated canneries, the entire product of which it sold through its own distributing operations. In 1950 the Company purchased for cash the wholesale grocery business of H. D. Lee Company, Incorporated, a Missouri corporation, located in Kansas City, Missouri. In 1952 the Company acquired for cash all of the outstanding capital stock of Royal Blue Stores, Inc., an Illinois corporation, distributing foods in Chicago, Illinois, and vicinity. In 1952 the Company also acquired all of the outstanding capital stock of The Weideman Company, a grocery distributor operating in Ohio. In 1953 the Company acquired in exchange for common stock all of the net assets of Griggs, Cooper & Company, a Minnesota corporation engaged in food distribution and processing, with headquarters in St. Paul, Minnesota. The Company acquired all of the outstanding capital stock of E. A. Aaron & Bros., Inc., an Illinois corporation, for cash in 1954. In exchange for common stock, the Company acquired the outstanding capital stock of Chicago Frozen Food Company in 1956. Each of the latter two companies was primarily a distributor of frozen food products.

(2) Processing. The Company operates, directly or through its subsidiaries, a total of 46 processing plants and canneries.

In 1951 the Company transferred to its wholly owned subsidiary corporation, Consolidated Food Producers, Inc., a Nevada corporation, in exchange for all of its stock, all of the Company's canning or processing plants or assets. These included 14 canning plants at various locations, 10 processing buildings and equipment at Marshalltown, Iowa, coffee processing machinery and equipment in ten cities, and leased pickle stations in the State of Wisconsin.

In 1951 the Company acquired, in exchange for common stock, the stock of United States Products Corporation, Ltd., which operates a cannery and controls, through its own wholly owned subsidiary, a cold storage warehouse. In 1951 the Company acquired, in exchange for common stock all of the capital stock of Fred M. Drew Company, which also operates a canning plant.

Rosenberg Bros. & Co., Inc., a wholly owned subsidiary, acquired for cash in 1948, directly or through its subsidiaries, is engaged in the business of buying, processing and packaging fruit, raisins, rice and nuts in California and Oregon.

The Company's Gentry Division, the assets of which were acquired for stock in 1951, is engaged in the processing of dried food seasonings at two plants in California. The Union Sugar Division of the Company, engaged in the beet sugar processing business, is the successor to Union Sugar Co. of California. In 1951 the Company acquired for common stock all of the stock of Union Sugar Co. of California after the latter company had exchanged all of its stock for the sugar business and plant of Union Sugar Company.

The stock of Gibbs & Co., Inc., a processor of vegetables with headquarters in Baltimore, Maryland, was acquired for cash by the Company in 1954.

In exchange for common stock, the Company acquired the assets of American Frigid-Dough, Inc., a processor of frozen foods, in 1954, and the assets of Omaha Cold Storage Company, a processor of frozen foods, butter and eggs, in 1956.

Each of the processing organizations sells part of its production to one or more of the distributing subsidiaries or divisions of the Company and the remainder of its production to other wholesale distributors, processors or retailers.

(3) Retail Operations. On May 31, 1956, the Company acquired, in exchange for common stock of the Company, all of the stock of Piggly Wiggly Midwest Co., Inc., a Delaware corporation, which operates on leased premises, 34 retail self-service, cash and carry supermarkets and food stores in Illinois, Iowa and Wisconsin which deal in all types of foods and other items customarily sold in such retail food stores.

3. INCORPORATION AND CAPITAL CHANGES

(1) Common Stock

The original Certificate of Incorporation of the Company, issued September 4, 1941, by the State of Maryland, authorized a total of 20,000 shares of common stock having no par value, all of which were issued on September 6, 1941. The number of shares of common stock authorized and issued was increased to 200,000 by a charter amendment effective December 21, 1942, providing for a split-up on the basis of 10 to 1. A charter amendment effective August 23, 1943, increased the number of authorized shares of common stock to 400,000. Additional shares were issued from time to time thereafter. On April 22, 1946, the number of authorized shares of common stock was increased from 400,000 shares having no par value to 1,200,000 shares having a par value of $1.33⅓ each by a charter amendment providing for the conversion of each share of the old common stock into three shares of the new common stock. On January 16, 1952, the charter was amended to authorize a total of 2,400,000 shares of common stock.

Additional shares of common stock were thereafter issued or reserved for issuance, as set forth in paragraph 5, below.

On April 27, 1956, the authorized common stock of the Company was increased to 3,600,000 shares by charter amendment.

(2) Preferred Stock

Three separate issues of preferred stock were authorized and issued in 1941, 1944 and 1945, respectively.

All of the stock authorized was retired on or before February 1, 1952, and under Maryland law was thereupon no longer authorized.

By charter amendment effective January 16, 1952, there was authorized a total of 300,000 shares of preferred stock having a par value of $50 per share, to be classified by the Board of Directors. 100,000 of such shares have never been classified nor issued. 200,000 shares were classified as 5¼% Cumulative Preferred Stock, convertible through 1961, and were issued February 1, 1952. 65,788 shares of such stock have been redeemed or converted as of the date of this application.

4. OPINION OF COUNSEL

The opinion of Messrs. Hopkins, Sutter, Owen, Mulroy & Wentz, One North LaSalle Street, Chicago 2, Illiniois, counsel for the Company, is being filed in support of this application for listing. Said opinion states that the Company is legally organized under the laws of the State of Maryland and that the Company is legally authorized to issue 3,600,000 shares of common stock having a par value of $1.33⅓ each, of which 1,836,734 shares are validly issued and outstanding, fully-paid and nonassessable, as of the date of this application, and that no personal liability will attach to the holders of said shares under the laws of the State of Maryland, the Company's state of incorporation, or under the laws of the State of Illinois, the state where the Company's executive offices are located. Mr. Anderson A. Owen, a member of the firm of Hopkins, Sutter, Owen, Mulroy & Wentz, is a Director and Assistant Secretary of the Company.

5. SHARES ISSUED AND RESERVED FOR ISSUANCE DURING THE PAST TEN YEARS

April 21, 1951—66,542 shares of common stock of the Company were issued in exchange for all of the business and assets of Gentry, Incorporated, a California corporation.

September 11, 1951—252,301 shares of common stock of the Company were issued in exchange for all of the stock of Union Sugar Co. of California.

September 17, 1951—6,865 shares of common stock of the Company were issued to Artnell Company in discharge of the Company's obligation to return such number of shares theretofore borrowed by it for issuance in partial exchange for all of the capital stock of Fred M. Drew Company.

January 24, 1952 and October 4, 1955—575,540 and 36,227 shares, respectively, were listed as reserved for issuance upon conversion of shares of 5¼% Cumulative Preferred Stock, convertible through 1961. This number has been reduced to the present totals shown in paragraph 1 by the issuance of such shares upon conversion of such preferred stock, by the redemption of preferred stock by the Company and by the payment of money upon conversion of the preferred stock in lieu of fractional shares of common stock.

February 1, 1952—200,000 shares of 5¼% of Cumulative Preferred Stock, convertible through 1961, having a par value of $50 each, were issued to the public, for which the Company realized a total of $9,350,000 equivalent to $46.75 per share. $2,258,542 of the proceeds were applied to the redemption of 5% Cumulative Preferred Stock then outstanding and the remainder was added to the general corporate funds of the Company.

October 4, 1955—128,981 shares of common stock of the Company were issued as a 10% stock dividend on the issued and outstanding common stock of the Company.

November 11, 1955—174,626 shares of common stock of the Company were issued in exchange for all of the issued and outstanding common stock of Omaha Cold Storage Company. 93,500 shares of common stock of the Company were listed as reserved for issuance upon the exercise of stock options granted under the Stock Option Plan for Key Employees, of which 6,000 shares have since been issued.

May 31, 1956—The Company issued 187,323 authorized and previously unissued shares and 24,280 shares of common stock held in its treasury to Piggly Wiggly Midwest Co., an Illinois corporation, in exchange for all of the stock of Piggly Wiggly Midwest Co., Inc., a Delaware corporation. An additional 200,000 shares were listed as reserved for issuance upon official notice, of which 3,205 have since been issued, all as described in paragraph 11.

August 29, 1956—The Company listed as reserved for issuance 164,000 shares and 890 shares of common stock for issuance, respectively, in exchange for substantially all of the business and assets of Kitchens of Sara Lee, Inc., a Delaware corporation, and for all of the issued and outstanding stock of Sara Lee Distributing Co., Inc., a Michigan corporation, as described in paragraph 11.

6. STOCK PROVISIONS AND VOTING POWERS

The following summaries set forth information with reference to certain of the provisions of the Charter of the Company, as amended, and the Articles Supplementary thereto relating to the outstanding shares of stock of the Company, consisting of common stock having a par value of $1.33 ⅓per share and of 5¼% Cumulative Preferred Stock having a par value of $50 per share, as set forth in the Title of this listing application. The summaries do not purport to be complete and are subject to the more detailed provisions of the Charter, as amended, and the Articles Supplementary, a copy of which has been filed with the Secretary of the Exchange.

(1) The Preferred Stock.

(a) Dividends on the Preferred Stock. The holders of record of outstanding shares of the Preferred Stock are entitled to receive, when and as declared by the Board of Directors, cumulative cash dividends at the rate of 5.25% per annum upon the par value thereof, payable quarterly on the first day of January, April, July and October in each year. Such dividends are to be cumulative from the date of issuance so that if such dividends have not been declared and paid for each quarterly dividend period ending March 31, June 30, September 30 or December 31 theretofore ended or have not been declared and paid or set apart for payment for the current quarterly dividend period, the deficiency must be declared and paid or funds set apart for the payment of the same, but without interest, before any dividend may be declared or paid or set apart for payment on any shares of stock of the Company, other than shares of the Preferred Stock and of any other class of preferred stock of the Company hereafter issued and having parity with the shares of the Preferred Stock, and before any funds or property may be used for the purchase or redemption of any shares of stock of the Company of any class. If the Company is in default in the declaration and payment or setting aside of funds for the payment of such dividends upon the Preferred Stock, dividends may be declared and paid on each other share of preferred stock of the Company having parity with shares of the Preferred Stock, only in the same proportion to the unpaid accumulated dividends on such share as is concurrently declared and paid or set aside for payment on each share of the Preferred Stock in proportion to the unpaid accumulated dividends thereon.

(b) Limitations on Dividends on the Preferred Stock. The Company has outstanding notes in the aggregate principal amount of $8,980,500 payable in installments with the remaining unpaid principal being due June 1, 1966. The Company has convenanted to the effect that so long as any of the indebtedness represented by such notes remains unpaid, the Company will not declare or pay any dividend on shares of the Preferred Stock, if after giving effect thereto the consolidated net current assets of the Company and its subsidiaries (exclusive of Rosenberg Bros. & Co., Inc., and Piggly Wiggly Midwest Co., Inc. subsidiaries, of the Company and their subsidiaries, in such agreement referredto as "affiliates" of the Company) will be less than $18,000,000 prior to July 1, 1952, or less than $21,000,000 thereafter. There are other restrictions under the terms of such loans upon the payment of dividends on shares of preferred stock of the Company issued on or after June 30, 1952, or upon shares of the Common Stock whenever issued, and upon payments or distributions made to purchase, redeem or retire shares of stock of the Company of any class, whenever issued, which are described hereafter under the heading "The Common Stock," subheading, "Limitations on Dividends on the Common Stock and on Distributions for the Redemption, Purchase or Retirement of Shares of Any Class."

(c) Voting Rights. Except as otherwise required by the laws of Maryland and except as expressly provided by the Articles Supplementary to the Company's Charter as below summarized, the holders of shares of the Preferred Stock have no voting powers or voting rights.

The Articles Supplementary provide that whenever the Company shall have defaulted in the payment of the cumulative dividends on the outstanding shares of the Preferred Stock for each of four quarterly dividend periods, whether consecutive or not, or whenever the Company shall have failed for a period of twelve months after any sinking fund payment date, to make any required sinking fund deposit (including any prohibited because the Company is in default in the payment of dividends on the Preferred Stock), then and in either such event, at each annual meeting of the stockholders of the Company thereafter, and prior to the complete curing of such default, the holders of record of the shares of the Preferred Stock, voting as a class, shall have the right to vote for the election of either four directors or such number of directors as shall constitute the minority of the Board of Directors, whichever is the lesser number, but in no event less than 2 directors.

If after an annual meeting of the stockholders, at which the holders of shares of the Preferred Stock are entitled to elect directors, and prior to the next annual meeting there occurs or exists any vacancy in the membership of the Board of Directors elected, or which could have been elected by the holders of shares of the Preferred Stock, such vacancy may be filled by the Board of Directors.

Whenever full dividends on the outstanding shares of the Preferred Stock have been paid for all quarterly dividend periods theretofore ended, and whenever all such sinking fund deposits theretofore required to be made have been made, all of the directors elected by the holders of the Preferred Stock shall resign.

The Articles Supplementary further provide that, with the written consent or affirmative vote of the holders of two-thirds (⅔rds) of the shares of the Preferred Stock then outstanding and not owned by the Company or its subsidiaries, and not otherwise, the Company, by amendment of the Charter, merger consolidation or otherwise, may:

(i) Amend the rights, privileges or terms of the Preferred Stock, provided, however, that no change may thus be made in the par value, rate of preferential dividends, optional redemption prices, preferential amount payable on liquidation, or the percentage of the holders of the Preferred Stock whose consent or approval is required for any action pursuant to these provisions of the Articles Supplementary.

(ii) Issue any shares of stock having priority over or being on a parity with the shares of the Preferred Stock as to dividend rights, sinking fund rights, redemption rights, conversion rights or liquidation rights, except that by action of the Board of Directors, acting alone, the Company may from time to time issue additional share of preferred stock, other than shares of the Preferred Stock, whether now or hereafter authorized or classified, which have a parity with (but are not prior to) the shares of the Preferred Stock, to the extent of the aggregate par value of $2,500,000 in addition to the outstanding shares of the Preferred Stock, and, in addition thereto, may also issue such additional shares of preferred stock from time to time of an aggregate par value which is not in excess of the aggregate par value of all shares of the Preferred Stock theretofore converted into Common Stock pursuant to the conversion rights conferred upon the holders of the Preferred Stock (of all of which additional preferred stock, only 100,000 shares of the par value of $50 per share is authorized under the present provisions of the Company's Charter, which authorization can only be increased by a Charter amendment).

(iii) Make distribution or payment upon or in exchange for any shares of Common Stock or other stock junior, as to rights to dividends and on liquidation, to the Preferred Stock (whether by way of a dividend or distribution thereon or for the purchase, redemption or other acquisition thereof), of any cash or other property or obligations, securities or shares, other than shares of Common Stock or of such other junior stock of the Company, where the aggregate amount so paid or distributed exceeds the sum of $4,000,000 plus the excess of the consolidated net earnings of the Company and its subsidiaries since June 30, 1951, over the aggregate amount of all dividends paid and, if cumulative, those accumulated and unpaid, upon shares of the Preferred Stock and any other preferred stock of the Company not junior to the Preferred Stock, since June 30, 1951, and plus the amount of all cash and property (at the fair value as fixed by the Board of Directors) received by the Company after the issuance of the Preferred Stock, for shares of Common Stock and other stock junior to the Preferred Stock, or

(iv) Sell or lease all or substantially all of the property of the Company, as an entirety, provided, however, that neither the merger nor consolidation of the Company nor the pledge or mortgage of its properties nor the transfer thereof to any subsidiaries shall be considered to be a sale or lease of all or substantially all of its property.

Whenever the holders of shares of the Preferred Stock shall have the right to elect directors of the Company or shall vote upon any of the matters requiring the consent or affirmative vote of the holders of two-thirds (⅔rds) of the outstanding shares of the Preferred Stock, all as above set forth, or shall vote upon any matter upon which their vote is required under the laws of Maryland, they shall, subject to the applicable provisions of the laws of Maryland, vote separately as a class, and each holder of record shall be entitled to one vote for each share registered in his name on the books of the Company. Holders of record of 50% or more of the outstanding shares of the Preferred Stock shall constitute a quorum at meetings of the holders of such stock. The question of the merger or consolidation of the Company, as such, is not required to be voted upon by the holders of shares of the Preferred Stock by the laws of Maryland or the Charter of the Company and they, therefore, have no right to vote thereon, except as may be expressly required if involving the actions, above, requiring the affirmative vote or consent of the holders of two-thirds (⅔rds) of the outstanding shares of the Preferred Stock.

(d) Redemption at the Option of the Company. The Company may, on any redemption date fixed by the Board of Directors, redeem the whole or any part (pro-rata or by lot as determined by the Board of Directors, if less than all) of the outstanding shares of the Preferred Stock at any time or from time to time after December 31, 1953, or not less than thirty (30) nor more than sixty (60) days' notice, at the following redemption price per share, which in each case shall be the amount next below stated, plus any unpaid cumulative dividends accrued to the date of redemption, namely:

IF REDEEMED DURING THE 12 MONTHS' PERIOD BEGINNING	AMOUNT PER SHARE
January 1, 1956	$ 51.00
January 1, 1957	50.75
January 1, 1958	50.50
January 1, 1959	50.25
January 1, 1960	50.125

The amount to be paid for each share redeemed after December 31, 1960, in addition to the unpaid cumulative dividends thereon, shall be $50.00.

Not less than three days prior to the redemption date, the Company shall deposit in cash in one or more banks at Chicago, Illinois, or New York, New York, the aggregate redemption price of all shares then to be redeemed with direction to pay the same on or after the redemption date to the holders of the redeemed shares according to their interest upon surrender of the stock certificates duly endorsed or otherwise in condition for transfer to the Company, and upon such deposit being made and the notice of redemption given, the redeemed shares shall be deemed to be no longer outstanding for any purpose and the holders shall have no further rights except to receive the redemption price, but shall nevertheless have the right to convert any of the shares so called into shares of Common Stock at any time up to the close of business on the last business day other than Saturday preceding the redemption date, in accordance with the terms of the shares of the Preferred Stock so being redeemed.

In the event any shares called for redemption are converted into shares of Common Stock prior to the date of redemption, such shares shall no longer be subject to redemption and the funds deposited to pay the redemption price shall be returned to the Company upon its demand. All shares redeemed shall be cancelled and retired and shall not be reissued. All funds deposited for the redemption of shares called for redemption by the Company not claimed within ten (10) years shall be returned to the Company.

(e) Sinking Fund. Annually on each August 1, commencing August 1, 1956, and on each August 1, thereafter to and including August 1, 1961, the Company shall deposit $200,000 in a sinking fund to be applied to the retirement of shares of the Preferred Stock by purchase or redemption, and on August 1, 1962, and on each August 1 thereafter, so long as there are shares of the Preferred Stock outstanding, the Company shall deposit an amount which is equal to 3% of the aggregate par value of all shares of the Preferred Stock issued and outstanding, unconverted, as of January 1, 1962. Each of such August 1 deposit dates is hereafter called a "sinking fund payment date." The redemption price of shares redeemed by the application thereto of funds in the sinking fund shall be $50 per share, plus the unpaid, accumulated dividends thereon to the date of redemption. For a period of forty-five (45) days after each sinking fund payment date, the Company may use the deposited funds for the purchase of shares of the Preferred Stock at a price not in excess of $50 per share. Within sixty-five (65) days after each sinking fund payment date, the Company shall call for redemption upon a redemption date fixed by the Board of Directors, which shall not be later than the following November 15, as many shares of the Preferred Stock as can be redeemed at the redemption price with the funds to be in the sinking fund upon the redemption date, plus the amount of all then unpaid accumulated dividends thereon, the amount of which unpaid, accumulated dividends is to be separately supplied by the Company. If any shares of the Preferred Stock called for redemption on the first redemption date after any sinking fund payment date or converted prior to such redemption date pursuant to the provisions of such shares summarized below under the subheading "Conversion Rights," then the Board of Directors shall, within fifteen (15) days after the first redemption date, once again call for redemption, on a date not later than sixty (60) days after such first redemption date, as many shares as can be redeemed with the funds to be in the sinking fund on such new redemption date plus the unpaid, accumulated dividends thereon, which dividends shall be separately supplied by the Company. But the Company shall in no case be required to redeem shares of the Preferred Stock if there is less than $20,000 in the sinking fund, and in such case, such funds shall be added to the funds deposited on the next sinking fund payment date and the Company, at its option, may redeem as many shares of the Preferred Stock at any time as can be done by the application thereto of funds in the sinking fund.

The call of shares to be redeemed by the application thereto of the sinking fund shall be made, the notice to be given of such redemption shall be given, the shares to be redeemed shall be selected, and the deposit of the aggregate redemption price thereof shall be effected, in the same manner and shall have all the same effect with respect to the shares to be redeemed as in the case of shares called at the option of the Company, the provisions with respect to which are hereinabove summarized under the subheading, "Redemption at the Option of the Company."

The Company shall receive credit upon and be relieved of making the sinking fund deposit to be made on any sinking fund deposit date, to the extent of shares of the Preferred Stock purchased or redeemed by the Company, other than with sinking fund moneys, and then cancelled and retired, at the redemption price thereof, other than any unpaid, accumulated dividends thereon, and, also, for moneys theretofore paid by the Company to holders of shares of the Preferred Stock upon the conversion thereof in satisfaction and discharge of so much of the par value of such shares as could not be converted into whole shares of Common Stock. All shares purchased, redeemed or cancelled and retired by the application thereto of funds in the sinking fund, or in reduction of sinking fund deposits otherwise required to be made, shall be cancelled, retired and not reissued.

Notwithstanding any of the foregoing provisions, the Company shall not make sinking fund deposits unless full cumulative dividends on the outstanding shares of the Preferred Stock for all quarterly periods ended prior to a sinking fund payment date shall have been declared and paid or declared and set apart for payment. As above stated under the subheading, "Dividends on the Preferred Stock," the Company may not purchase or redeem shares of the Preferred Stock or of any other class of stock, unless the Company has paid or declared and set aside for payment full cumulative dividends on the outstanding shares of the Preferred Stock for all quarterly periods previously ended. The Company's obligation to make sinking fund deposits shall be cumulative, and if the Company is not permitted to make any such deposits, it shall thereafter make them not later than the next sinking fund payment date after it is permitted to make the same under the foregoing provisions.

(f) Market Fund. On each February first, while shares of the Preferred Stock are outstanding, commencing February 1, 1953, the Company is required to apply a market fund to the purchase and retirement of the largest possible number of shares of the Preferred Stock then tendered to the Company at prices less than $49 per share, first purchasing the lowest priced stock tendered. The market fund so to be applied on any February first prior to February 1, 1962, is $196,000 and the market fund so to be applied on February 1, 1962 and on any February first thereafter is an amount equal to 3% of the aggregate par value of the shares of the Preferred Stock issued and outstanding on the first day of January immediately preceding such February first; provided, however, that in no event shall the market fund, applicable to the purchase of shares of the Preferred Stock on any February first, exceed the excess of the total consolidated net income of the Company and its subsidiaries for its fiscal year or years ending in or with the end of the calendar year last preceding such February first, over the total cumulative dividends accrued during such fiscal year or years on the outstanding shares of the Preferred Stock and of any other class of preferred stock having parity with the Preferred Stock. Any portion of the market fund which is to be applied on any February first to the purchase of shares of the Preferred Stock which is not required to purchase shares then tendered, reverts to the Company and need not thereafter be used to purchase such shares. The Company is required to mail written solicitations of tenders to all holders of record of shares of the Preferred Stock not less than thirty (30) nor more than sixty (60) days prior to each such February first purchase date. All shares purchased are to be cancelled and retired and not again reissued. The Company is prohibited from purchasing shares of the Preferred Stock by the application of, and is relieved of the necessity of depositing, the market fund on any February first and the Company's failure to deposit and apply the market fund to the purchase of shares of the Preferred Stock on such February first shall not constitute any default on the part of the Company, in the event the Company is then in default in the declaration and payment or setting aside for payment of full cumulative dividends on the outstanding shares of the Preferred Stock for all quarters previously ended.

(g) Conversion Rights. To and including December 31, 1961, the outstanding shares of the Preferred Stock may be converted at the option of the holder into fully paid and nonassessable whole shares of Common Stock and all such shares of the Preferred Stock surrendered in such conversion shall be cancelled and retired and shall not be reissued. With respect to the right of the Company to issue additional shares of preferred stock having parity with the Preferred Stock, see the information above under the subheading ,"Voting Rights." The holder who elects to convert shares of the Preferred Stock shall be entitled to receive from the Company the maximum number of whole shares of Common Stock, the aggregate conversion price of which, at the conversion price per share in effect on the date of such conversion as herein below set forth, equals or is less than the aggregate par value of the shares of the Preferred Stock then being converted by such holder and, in addition, cash in an amount equal to the excess, if any, of the aggregate par value of the shares of the Preferred Stock being converted over the aggregate conversion price of such maximum number of whole shares of Common Stock being received in exchange therefore. The conversion prices of the shares of Common Stock are as follows:

PERIOD	CONVERSION PRICE PER SHARE FOR SHARES OF COMMON STOCK
October 1, 1955 to January 31, 1957	$16.60
February 1, 1957 to July 31, 1959	17.48
August 1, 1959 to December 31, 1961	18.35

except as said conversion prices may hereafter be changed as required by the provisions of the Articles Supplementary to the Corporation's Charter.

The Company is to receive credit upon required sinking fund deposits for cash payments made by it to holders of shares of the Preferred Stock upon conversion of such shares pursuant to the foregoing provisions, as set forth above, under the subheading "Sinking Fund."

In the event any shares of the Preferred Stock are called for redemption, whether at the option of the Company or for sinking fund purposes, the right to convert the same shall terminate at the close of business on the last business day other than Saturday preceding the redemption date. In the event of voluntary dissolution, liquidation or winding up of the Company, the right to convert outstanding shares of the Preferred Stock shall terminate on the date fixed by the Board of Directors, which date shall precede the effective date of such dissolution, liquidation or winding up by not less than twenty (20) days nor more than sixty (60) days, and of which date not less than thirty days' written notice shall be given by the Company by mail to the holders of record of shares of the Preferred Stock.

The holder of any outstanding shares of the Preferred Stock may exercise his option of converting such shares by surrender to any Transfer Agent of the Company or if there be none, then to the Company, of the certificate representing the shares to be converted duly endorsed or accompanied by documents rendering title to the shares transferable to the Company and accompanied by a written request for the conversion thereof and by any revenue stamps and transfer taxes imposed in respect of the surrender to the Company of the shares of the Preferred Stock.

The conversion price of the shares of Common Stock from time to time is to be readjusted in the event of the issuance of any shares of Common Stock or rights to obtain the same under any options, rights to subscribe or rights to convert, in any case for less than the then conversion price of the shares of Common Stock for the purpose of the conversion of shares of the Preferred Stock.

(h) Preemptive Rights. The holders of shares of the Preferred Stock have no preemptive or other rights to subscribe for or purchase any shares, securities or obligations of any class now or hereafter authorized or issued by the Company, except the right to convert their shares of the Preferred Stock into shares of Common Stock, above summarized under the subheading, "Conversion Rights."

(i) Liquidation Rights. The holders of shares of the Preferred Stock are entitled to be paid the par amount of their shares in the event of an involuntary liquidation, dissolution or winding up of the Company, and in the event of a voluntary liquidation, dissolution or winding up of the Company, they are entitled to be paid the redemption price which would then be applicable were such shares then being redeemed at the option of the Company, including, in either case, the unpaid cumulative dividends on such shares of the Preferred Stock, before any assets of the Company shall be paid over to the holders of any shares of stock of the Company of any class, other than the shares of the Preferred Stock and of any other preferred stock having parity with the Preferred Stock. On any such liquidation, dissolution or winding up of the Company, if the assets distributable upon the shares of the Preferred Stock and of any other class of preferred stock then outstanding and having parity with the Preferred Stock should be less than the amount to which the holders thereof are entitled, then any amount available to be paid upon all such shares of the Preferred Stock and such other preferred stock shall be divided among such classes of preferred stock,

including the Preferred Stock in proportion to the aggregate amounts which have been paid to the holders of shares of each such class had they received payment of the full amount to which they would then have been entitled. A consolidation or merger of the Company shall not be deemed to be a liquidation, dissolution or winding up of the Company.

(2) THE COMMON STOCK.

(a) DIVIDEND, VOTING AND PREEMPTIVE RIGHTS AND RIGHTS ON LIQUIDATION. All rights, including rights to dividends and to the Company's remaining assets on liquidation, and all voting powers and any and all other privileges and advantages of the holders of shares of Common Stock are in all respects subject and subordinate to, and limited, qualified and controlled by, any and all prohibitions, limitations, restrictions and qualifications with respect thereto expressed in or resulting from compliance with (i) the laws of Maryland; (ii) the terms and provisions of any shares of any class of preferred stock of the Company now or hereafter authorized, including the shares of the Preferred Stock, the provisions of which are hereinabove summarized under the heading, "The Preferred Stock," and (iii) the other provisions of the Company's Charter. Except as and when otherwise prohibited, limited, restricted or qualified as above set forth, the holders of the outstanding shares of the Common Stock are entitled (i) to dividends payable out of the assets of the Company legally available therefor when and in the amount declared by the Board of Directors, subject to the limitations thereon hereinbelow set forth under the subheading, "Limitations on Dividends on the Common Stock," (ii) to all voting powers and rights of the stockholders of the Company, each holder of record of shares of Common Stock being entitled to one vote for each share registered in such holder's name on the books of the Company, and (iii) upon liquidation or winding up of the Company, to receive ratably all of the remaining assets of the Company, a consolidation or merger not to be considered a liquidation or winding up of the Company. The holders of shares of Common Stock have no preemptive or other rights to subscribe for or to purchase any shares, securities or obligations of any class now or hereafter authorized or issued by the Company.

(b) LIMITATIONS ON DIVIDENDS ON THE COMMON STOCK AND ON DISTRIBUTIONS FOR THE REDEMPTION, PURCHASE OR RETIREMENT OF SHARES OF ANY CLASS. By the terms of the term notes in the aggregate principal amount now outstanding of $8,980,500, above referred to under the heading, "The Preferred Stock," subheading, "Limitations on Dividends on the Preferred Stock," and of the loan agreements with respect thereto, the Company covenanted, in effect, that after June 30, 1951, the sum of (i) all dividends, on any class of stock of the Company, other than dividends in stock of the Company, plus (ii) the excess, if any, of all amounts applied by the Company or its subsidiaries (as defined) to the purchase, redemption or retirement of shares of any class of stock of the Company, over all amounts received as the net cash proceeds of sales of shares of stock of the Company (excluding such net proceeds which are invested in affiliates, as defined, in an amount not exceeding $1,500,000), plus (iii) the excess, if any, of all amounts invested in affiliates by the Company and its defined subsidiaries (exclusive of the net cash proceeds of the sale of shares of stock of the Company invested in affiliates not exceeding $1,500,000), over all amounts recovered by sale, payment or redemption of affiliate investments, shall not exceed the sum of (i) $1,750,000 plus (ii) the greater of 100% of the consolidated net income after taxes of the Company and its defined subsidiaries, or 70% of the consolidated net income of the Company and its defined subsidiaries and affiliates, in each case, since June 30, 1951. However, it is provided that the foregoing limitation shall not prevent the payment of regular dividends on any preferred stock of the Company outstanding on June 30, 1952. In addition, the Company covenanted that no dividends other than dividends in stock of the Company should be declared or paid on shares of any class of stock of the Company, and no property or assets of the Company or its defined subsidiaries should be applied to the purchase, redemption or retirement of or in respect of the retirement of any shares of any class of stock of the Company, or to making any investment in affiliates, as defined, if thereupon the consolidated net current assets of the Company and its defined subsidiaries will be less than $18,000,000, if prior to July 1, 1952, or less than $21,000,000, if after June 30, 1952.

A subsidiary of the Company, for the purpose of the above provisions, is any corporation more than 50% of the voting stock of which is owned or controlled, directly or indirectly, by the Company other than Rosenberg Bros. & Co., Inc. and Piggly Wiggly Midwest Co., Inc. (which, in fact, are wholly owned subsidiaries of the Company) and their subsidiaries and the successors thereof. Affiliates of the Company, for the purposes of the above provisions, mean Rosenberg Bros. & Co., Inc. and Piggly Wiggly Midwest Co., Inc., their subsidiaries and their successors.

With respect to the prohibition on the declaration and payment by the Company of any dividends upon any shares of stock of the Company other than shares of the Preferred Stock and any other preferred stock having parity with the Preferred Stock, and on the use of any funds or property of the Company to purchase or redeem any share of stock of the Company of any class, in the event dividends on the Preferred Stock have not been paid or declared and set apart for payment, see the information above under the heading, "The Preferred Stock," and subheading, "Dividends on the Preferred Stock." In the event of a default existing in the Company's use or deposit of any sinking fund or market fund deposit, with respect to shares of the Preferred Stock required to be made or used by the Company as hereinabove set out, the Company may not declare or pay any dividends upon or use any funds or property for the purchase or redemption of any shares of stock other than the Preferred Stock and any preferred stock having parity with the Preferred Stock. For a further restriction on distributions upon or in retirement of shares of stock of the Company junior to the Preferred Stock, see the information above, under the heading, "The Preferred Stock," and the subheading, "Voting Rights," subparagraph (c) of the description of the acts requiring the affirmative vote of the holders of two-thirds (⅔rds) of the outstanding shares of the Preferred Stock.

7. DIVIDEND RECORD

Dividends have been paid on the common stock and on the preferred stock in each year of the past ten fiscal years, as follows:

FISCAL YEAR ENDED	PER COMMON SHARE	DIVIDENDS COMMON	DIVIDENDS PREFERRED
6-30-47	$1.00	$ 867,492	$187,893
6-30-48	1.00	867,492	167,835
6-30-49	1.00	867,492	151,057
6-30-50	1.00	867,492	136,160
6-30-51	1.25	1,109,329	125,873
6-30-52	1.50	1,689,699	294,882
6-30-53	1.00	1,216,718	491,729
6-30-54	1.00	1,286,401	416,381
6-30-55	1.00	1,286,950	406,860
6-30-56	1.00	1,562,167	391,906

8. RECORD OF PROPERTIES

The Company and its subsidiaries operate 46 food processing and canning plants, 30 wholesale distribution warehouses and 34 retail stores, all located in 84 cities in the United States.

Type of construction varies greatly among buildings, but is principally of brick and steel or concrete and steel.

The total floor space of the buildings is approximately 7,000,000 square feet. Approximately 59% or 4,130,000 square feet of the total area is occupied by processing facilities. Approximately 29% or 2,300,000 square feet is utilized for wholesale distribution. Approximately 12% or 840,000 square feet represents retail store area. Of the total occupied area, approximately 73% is owned and the remainder leased.

9. SUBSIDIARY COMPANIES

The principal subsidiaries of the Company and their subsidiaries (excluding two inactive corporations) with the state and date of their incorporation, the nature of their business and the percentage of their voting securities owned by the Company or its wholly owned subsidiaries are as follows:

Name of Subsidiary	Date and State of Incorporation	Nature of Business	Percentage of Voting Securities owned by the Company
American Seedless Raisin Co.	1935—California	Inactive	100%
Arnold-Hoover, Inc.	1951—California	Fig Packing	100%
Atlas Mercantile Co.	1928—California	Commissions and Miscellaneous Merchandising	100%
E. A. Aaron & Bros., Inc.	1952—Delaware	Distributing and processing frozen food	100%
Consolidated Food Processors, Inc.	1951—Nevada	Canning or processing fruits and vegetables. Coffee roasting	100%
Farmfrozen Marketers, Inc.	1950—Illinois	Frozen Food Distributors	100%
Gibbs & Co., Inc.	1922—Maryland	Processor of vegetables	100%
Gibbs Foods, Inc.		Operation of farm	100%
Herman C. Fisher Co.	1932—California	Nut packers	100%
Low Temperatures Corp.	1946—California	Cold storage plant	100%
Marketing Acceptance Corp.	1955—Delaware	Lending money and financing	100%
Marshall Piggly Wiggly Corp.	1953—Iowa	Retail food distributor	100%
Mid States Frozen Food Marketers, Inc.	1951—Illinois	Frozen food brokers	100%
Northern California Warehouse Company	1919—California	Warehousing and feed merchandising	100%
Not-A-Seed Sales Co.	1935—California	Dried fruit distributors	100%
Ocoma Foods Company	1899—Nebraska	Processor of frozen poultry products, butter and eggs. Cold storage warehouse. Processor of livestock feed	100%
Piggly Wiggly Madison Co.	1947—Wisconsin	Retail food distributor	100%
Piggly Wiggly Midwest Co., Inc.	1956—Delaware	Retail food distributor	100%
R. Fair, Inc.	1942—California	Dried fruit distributor	100%
Rockford Kramlich Associates, Inc.	1949—Illinois	Inactive	100%
Rosenberg Bros. & Co. (Oregon)	1929—Oregon	Dried fruit packers	100%
Rosenberg Bros. & Co., Inc.	1947—Maryland	Buying, processing and packaging fruit, raisins, rice and nuts	100%
Rosenberg Dryer & Warehouse Company	1937—California	Drying and storage of rice	100%
Royal Blue Stores, Inc.	1920—Illinois	Distributing food	99%
United States Products Corporation, Ltd.	1930—Nevada	Canning fruit and vegetables. Cold storage warehouse	100%

10. FUNDED DEBT

The total long-term indebtedness of the Company and its subsidiaries as of this date is as follows:

4% Promissory notes issued by the Company in October 1951, payable $1,500,000 on June 1, 1962, and on each June 1, thereafter to and including June 1, 1965, and $1,600,000 on June 1, 1966	$ 7,600,000
4% Promissory notes assumed by the Company August 7, 1953, payable $285,750 on June 1, 1962, and on each June 1, thereafter to and including June 1, 1964, and $523,250 on October 1, 1964	1,380,500
4% Debentures issued by Rosenberg Bros. & Co., Inc., a wholly owned subsidiary of the Company, due January 1, 1964. Under the terms of the debenture trust indenture the subsidiary is required to pay into a sinking fund for the retirement of its debentures $200,000 semi-annually on June 30, and December 31, each year to and including December 31, 1963. In addition, the subsidiary is required to pay to the Trustee for the sinking fund on December 31, in each year to and including December 31, 1962, an amount equal to 10% of its consolidated net income for the fiscal year ended next preceding the date of such payment after deduction of the sinking fund payments made on June 30, and December 31	2,616,000
3½% Debentures issued in April, 1951, by Omaha Cold Storage Company, the name of which has been changed to Ocoma Foods Company (a wholly owned subsidiary of the Company) due $75,000 on April 1, 1957, and on each April 1 thereafter to and including April 1, 1969, and $24,000 on April 1, 1970. Under the terms of the debenture agreement, the subsidiary is required to redeem debentures, to the nearest $1,000, which equal 25% of its net income for the fiscal year next preceding the April 1 payment date in excesss of $250,000 and not in excess of $450,000	999,000
4% Promissory note issued in December, 1950, by Piggly Wiggly Midwest Co. and assumed by Piggly Wiggly Midwest Co., Inc. (a wholly owned subsidiary of the Company) due December 1, 1960. Under the terms of the note agreement, the subsidiary is required to repay $40,000 on December 1, 1956, and on December 1, in each year thereafter until the note shall be paid in full	210,000
4¾% Promissory note issued in March 1954, by Piggly Wiggly Midwest Co. and assumed by Piggly Wiggly Midwest Co., Inc. (a wholly owned subsidiary of the Company) due March 1, 1966. Under the terms of the note agreement, the subsidiary is required to repay $20,000 on March 1, 1957, and on March 1 each year thereafter until the note shall be paid in full	210,000
4¼% Promissory notes issued by the Company in June 1956, to a group of banks, payable in ten equal semi-annual payments of $750,000 each, commencing December 31, 1956, with the last payment June 30, 1961	7,500,000
Total Long Term Indebtedness	$20,515,500

11. OPTIONS AND AGREEMENTS FOR THE ISSUANCE OF STOCK

(1) On May 10, 1955, the common stockholders of the Company approved a Stock Option Plan for Key Employees which had previously been approved by the Board of Directors on February 16, 1955. Pursuant to the Stock Option Plan, the Company has granted options to 34 key employees to purchase 53,900 shares of Common Stock at an option price of $13.955 per share. Options for 6,000 shares of such stock have been exercised, and there remain outstanding options to purchase 47,900 shares.

(2) On April 26, 1956, the Board of Directors of the Company authorized and approved an agreement between Piggly Wiggly Midwest Co., an Illinois corporation, and the Company, whereby the Company, on May 31, 1956, acquired from Piggly Wiggly Midwest Co. (hereinafter Piggly Wiggly Illinois) all of the issued and outstanding stock of Piggly Wiggly Midwest Co., Inc. (hereinafter Piggly Wiggly Delaware), a Delaware corporation, in exchange for not less than 211,603 nor more than 411,603 shares of common stock of the Company. Said agreement was approved by the Common Stockholders of the Company at a special meeting of said stockholders on April 26, 1956.

Pursuant to this agreement, 211,603 shares of common stock of the Company were delivered to Piggly Wiggly Illinois on May 31, 1956. An additional 200,000 shares were reserved for issuance in accordance with the terms of the agreement which provide that the Company is to issue and deliver to Piggly Wiggly Illinois additional shares of its fully paid and non-assessable common stock equal to 5.88% of the additional earning power demonstrated by Piggly Wiggly Delaware and its subsidiaries for the five-year period beginning February 5, 1956, and ending February 4, 1961, but not to exceed 200,000 additional shares of the Corporation's common stock. For the purpose of the agreement, the additional earning power demonstrated by Piggly Wiggly Delaware and its subsidiaries is the excess of its consolidated available net income for each fiscal year of 13 four-week periods over a base amount of $350,000 for each such fiscal year. Thus, in each of the five years beginning February 5, 1956, the Company is obligated to issue and deliver to Piggly Wiggly Illinois an amount of the Company's common stock which at $17 per share (the approximate market price of such stock at the time of the agreement) is equal to the net income for such year of Piggly Wiggly Delaware and its subsidiaries in excess of $350,000. Of the 200,000 shares so reserved, 3,250 shares have since been issued to Piggly Wiggly Delaware.

(3) 412,177 shares of common stock of the Company are reserved for issuance upon conversion of the 5¼% Cumulative Preferred Stock under the terms and conditions set forth in paragraph 7, above.

(4) On July 25, 1956, the Board of Directors of the Company approved a Plan of Reorganization and Agreement dated August 6, 1956, under which the Company will, subject to certain conditions, acquire substantially all the business and assets of Kitchens of Sara Lee, Inc., a Delaware corporation, in exchange for the number of shares of common stock of the Company, not to exceed 164,000, which is computed by adding to or subtracting from 150,000 shares the number of shares obtained by dividing by $18 the amount by which the net worth of Sara Lee as of the next business day after receipt of a favorable tax ruling shall respectively exceed or fall below $700,000. On July 25, 1956, the Board of Directors of the Company also approved an Agreement for the Acquisition by Consolidated Foods Corporation of all the stock of Sara Lee Distributing Co., Inc., dated April 6, 1956, under which the Company will, subject to certain conditions, acquire all of the issued and outstanding stock of Sara Lee Distributing Co., Inc., a Michigan corporation, in exchange for the number of shares of common stock of the Company, not to exceed 890, which will be computed by dividing by $18 the amount of the net worth of Distributing Co. as of the next business day after the receipt of the favorable tax ruling. If and when these agreements are consummated, there will be issued a number of shares of common stock of the Company not to exceed 164,890.

12. LISTING ON OTHER STOCK EXCHANGES

All of the shares of common stock of the Company issued or reserved for issuance (as stated in paragraph 1 above) are listed now or upon official notice of issuance on the New York Stock Exchange, the San Francisco Stock Exchange and the Los Angeles Stock Exchange. None of the preferred stock of the Company is listed on any exchange.

13. SECURITIES AND EXCHANGE COMMISSION

Pursuant to Section 13 of the Securities Exchange Act of 1934 as amended, the Company makes an annual report to the Securities and Exchange Commission, Washington, D.C., on Form 10-K.

No registration or filing is being made with the Ontario Securities Commission.

GENERAL INFORMATION

14. The Company's fiscal year ends on the 30th day of June.

15. The Annual Meeting of the Stockholders of the Company, under the provisions of the by-laws, is held on the second Thursday of October, in the City of Chicago, Illinois, or in such other place as the Board of Directors may designate. The last annual meeting of the stockholders of the Company was held on October 13, 1955, in Chicago, Illinois.

16. The executive offices of the Company are at 135 South La Salle Street, Chicago, Illinois.

17. The transfer agents for all of the common stock of the Company are the Continental Illinois National Bank and Trust Company of Chicago, 231 South La Salle Street, Chicago 90, Illinois, The Chase Manhattan Bank, 18 Pine Street, New York, New York, and The National Trust Company Limited, 14 King Street East, Toronto 1, Ontario. Share certificates may be presented for transfer at the office of any such transfer agent. No fee is charged on transfer of the Company's stock, other than the customary stock transfer taxes.

18. The registrars of the common stock of the Company are The First National Bank of Chicago, 38 South Dearborn Street, Chicago 90, Illinois, Guaranty Trust Company of New York, 140 Broadway, New York, New York, and Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Canada.

19. F. W. Lafrentz & Co., independent certified public accountants, 208 South La Salle Street, Chicago, Illinois, are auditors for the Company.

20. OFFICERS

The principal officers of the Company are:

Chairman of the Board	Nathan Cummings	Chicago, Illinois
President	S. M. Kennedy	Chicago, Illinois

Vice-Presidents:

A. J. Bischman	River Grove, Illinois	G. R. Mueller	River Grove, Illinois
C. R. Boyle	Kansas City, Kansas	R. H. Perlitz	Chicago, Illinois
F. M. Drew	San Jose, Calif.	J. M. Sarther	River Grove, Illinois
M. W. Griggs	St. Paul, Minnesota	E. S. Steinmetz	Chicago, Illinois
G. H. Hayden	Chicago, Illinois	R. Tognazzini	San Francisco, Calif.
J. R. Keenan	San Francisco, Calif.	R. A. Yocom	River Grove, Illinois
W. J. Moore	Marshalltown, Iowa		

Vice-President and Treasurer	H. J. Everts	Chicago, Illinois
Assistant Treasurer	John A. Mahoney	Chicago, Illinois
Vice-President and Secretary	Stacey H. Gifford	Chicago, Illinois
Assistant Secretaries	H. G. Cartwright	Marshalltown, Iowa
	E. J. Bush	River Grove, Illinois
	J. W. Daniel	River Grove, Illinois
	George F. Zemke	Los Angeles, Calif.
	Richard E. Guggenhime	San Francisco, Calif.
	Anderson A. Owen	Chicago, Illinois

21. DIRECTORS

The directors of the Company are

A. C. Allyn	Chicago, Illinois	S. M. Kennedy	Chicago, Illinois
A. J. Bischman	River Grove, Illinois	B. P. Kramlich	Rockford, Illinois
Gen. M. W. Clark	Charleston, S.C.	M. L. Levinson	New York, N.Y.
Nathan Cummings	Chicago, Illinois	R. B. Mayer	Chicago, Illinois
F. M. Drew	San Jose, Calif.	A. A. Owen	Chicago, Illinois
H. J. Everts	Chicago, Illinois	J. M. Sarther	River Grove, Illinois
M. B. France	Cleveland, Ohio	H. C. Sheridan	Omaha, Nebraska
M. W. Griggs	St. Paul, Minnesota	R. Tognazzini	San Francisco, Calif.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant company hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

Chicago, Illinois,
September 14, 1956.

Corporate Seal

CONSOLIDATED FOODS CORPORATION
"S. M. KENNEDY", *President.*
"STACEY H. GIFFORD", *Secretary.*

FINANCIAL STATEMENTS

Consolidated Foods Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 1956, AND JUNE 30, 1955

ASSETS

	JUNE 30, 1956	JUNE 30, 1955
CURRENT ASSETS:		
Cash on hand and in banks	$ 5,335,507	$ 3,233,348
United States Government securities, at approximate cost	70,402	101,187
Accounts and notes receivable, less allowance for doubtful accounts, 1956 $345,500; 1955, $333,500	15,129,692	12,314,000
Inventories—merchandise, finished product, raw materials and supplies, at lower of cost or market (Note 1)	53,142,326	40,734,037
Advances to growers and costs in connection with growing crops	1,246,390	1,000,330
Prepaid insurance, taxes, and expenses	942,782	926,139
Total current assets	$75,867.099	$58,309,041
LAND, BUILDINGS, MACHINERY AND EQUIPMENT, at approximate cost, less accumulated depreciation, 1956, $17,913,610; 1955, $13,429,104	22,066,987	18,817,190
OTHER ASSETS AND DEFERRED CHARGES:		
Cash surrender value of life insurance	194,560	182,622
Leasehold improvements, at cost, less amortization	528,334	69,414
Long term debt expense, less amortization	73,526	70,085
Sundry noncurrent assets and deferred charges	666,116	414,879
Total other assets and deferred charges	$ 1,462,536	$ 737,000
GOODWILL, TRADE-MARKS, AND OTHER INTANGIBLES, at nominal value	3	3
Total	$99,396,625	$77,863,234

LIABILITIES

	JUNE 30, 1956	JUNE 30, 1955
CURRENT LIABILITIES:		
Notes payable to banks	$11,150,000	$ 9,900,000
Accounts payable	10,368,513	7,294,324
Long term debt payable within one year	2,142,573	1,118,000
Taxes, payable and accrued		
Federal taxes on income (Note 2):		
Current year	2,988,048	2,041,262
Prior years' reserve	356,478	347,281
Other, including taxes withheld	1,560,832	1,314,609
Accrued salaries and wages, interest, and other expenses	1,669,257	1,384,768
Total current liabilities	$30,235,701	$23,400,244
LONG TERM DEBT, less payments due within one year (Note 4)	18,575,309	11,596,500
CAPITAL STOCK AND SURPLUS:		
Preferred stock—$50.00 par value (issuable in classes):		
Originally authorized—300,000 shares, of which 200,000 shares have been classified as 5¼% Cumulative Preferred Stock:		
Issued and outstanding, 1956, 142,092 shares; 1955, 153,487 shares	7,104,600	7,674,350
Common stock—$1.33⅓ par value:		
Authorized—1956, 3,600,000 shares; 1955, 2,400,000 shares		
Reserved for conversion of Preferred Stock—1956, 427,988 shares; 1955, 420,282 shares		
Reserved under options granted to officers and key employees at not less than 95% of market value at date of granting—1956, 51,050 shares; 1955, 49,000 shares.		
Issued and outstanding—1956, 1,814,560 shares; 1955, 1,286,949 shares	2,419,413	1,715,932
Surplus, per accompanying statement:		
Paid-in	15,657,806	7,776,165
Capital	10,199,811	9,660,793
Earned (Note 5)	15,203,985	16,039,250
Total capital stock and surplus	$50,585,615	$42,866,490
Total	$99,396,625	$77,863,234

NOTE—The accompanying Notes to Financial Statements are an integral part of these balance sheets.

CONSOLIDATED STATEMENTS OF INCOME

	FOR THE YEAR ENDED JUNE 30, '56	FOR THE YEAR ENDED JUNE 30, '55
Net sales	$268,252,695	$224,786,676
Cost of sales	232,962,335	196,545,101
Gross profit	$ 35,290,360	$ 28,241,575
Selling, general and administrative expenses	29,349,661	24,441,788
Operating income	$ 5,940,699	$ 3,799,787
OTHER INCOME:		
Cash discounts, net	$ 491,029	$ 601,933
Profit on disposal of property and equipment, less applicable income taxes—1956, $62,344; 1955, $207,001	187,032	664,851
Rentals, storage and miscellaneous, net	748,917	609,087
	$ 1,426,978	$ 1,875,871
	$ 7,367,677	$ 5,675,658
Interest charges (includes interest on long term debt, 1956, $504,397; 1955, $522,087)	1,513,682	1,180,955
Income before federal taxes on income	$ 5,853,995	$ 4,494,703
Provision for federal taxes on income (Note 2)	2,822,745	1,915,885
Net income for the year	$ 3,031,250	$ 2,578,818

NOTE—The accompanying Notes to Financial Statements are an integral part of these statements of income.

CONSOLIDATED STATEMENTS OF SURPLUS ACCOUNTS

	FOR THE YEAR ENDED JUNE 30, '56	FOR THE YEAR ENDED JUNE 30, '55
PAID-IN SURPLUS		
Balance, beginning of year	$ 7,776,165	$ 7,838,491
ADD:		
Excess of assigned value (approximate market) over par value to shares of common stock issued in exchange for outstanding shares of acquired subsidiaries	5,583,373	
Excess of assigned value, based on quoted market price at the declaration date, over par value of 128,981 shares of common stock issued as a 10% stock dividend	1,777,359	
Paid-in surplus resulting from conversions of preferred stock	484,256	
Excess of consideration over par value of common stock issued under officers' and employees' stock option plan	35,972	
Adjustment of previous years' credits to paid-in surplus resulting from acquisition of properties, etc.	681	(62,326)
Balance, end of year	$ 15,657,806	$ 7,776,165
CAPITAL SURPLUS		
Balance, beginning of year	$ 9,660,793	$ 9,257,282
ADD:		
Excess of book value of net assets of subsidiaries acquired over cost of investments, net	539,018	1,036,179
Contributions by growers for construction of facilities		76,659
	$ 10,199,811	$ 10,370,120
DEDUCT:		
Excess of net asset value of certain properties (acquired in prior years) over their acquisition costs, realized as earned surplus through their sale		709,327
Balance, end of year	$ 10,199,811	$ 9,660,793
EARNED SURPLUS		
Balance, beginning of year	$ 16,039,250	$ 14,564,742
ADD:		
Net income, from consolidated statements of income	3,031,250	2,578,818
Amount realized in excess of acquisition costs, in liquidation and sale of certain properties, including $709,327 transferred from capital surplus		729,218
Underwriting discount on original issue of preferred stock applicable to shares converted and retired during the years; originally charged to earned surplus—now offset against credits to paid-in and capital surplus arising through current conversions and retirements	36,892	3,285
	$ 19,107,392	$ 17,876,063
DEDUCT:		
Transfer to reserve for federal taxes on income, prior years		$ 125,000
Adjustment of cost of investment in subsidiary		18,003
Cash dividends:		
On 5¼% Cumulative Preferred Stock	$ 391,906	$ 406,860
On Common Stock	1,562,167	1,286,950
Common Stock dividend, 10%, recorded at approximate market value as of record date	1,949,334	
	$ 3,903,407	$ 1,836,813
Balance, end of year	$ 15,203,985	$ 16,039,250

NOTE—The accompanying Notes to Financial Statements are an integral part of these statements of surplus accounts.

NOTES TO FINANCIAL STATEMENTS

1. INVENTORIES

In accordance with the practices of the companies, their inventories and accounts payable do not include merchandise in transit. This exclusion does not materially affect the current position.

The inventory of whiskey and other liquors in bond, amounting to $1,678,617 at June 30, 1956, and $1,868,130 at June 30, 1955, is subject to the usual liens for federal and state taxes and accrued unbilled storage on bulk whiskey in bonded warehouses. Since these charges are not generally payable until withdrawal from bond, they are not taken up as liabilities in the accounts. When paid, the amount of such charges will result in a corresponding increase in the book value of the inventory.

2. FEDERAL TAXES ON INCOME

Of the total provision for federal income taxes $207,001 for 1955, and $62,344 for 1956, was charged in the statement of income against profits realized on the sale of property and equipment. In addition, the total provision for 1956 was reduced by estimated refunds of $189,383, resulting from carry back of the net operating loss of a subsidiary.

A subsidiary of the Corporation is using a stepped-up property basis for computing depreciation and profit or loss on the sale of property and equipment. It resulted from the subsidiary's purchase of the stock of its predecessor company and subsequent liquidation of the predecessor. The Internal Revenue Service has not agreed to this basis and has proposed tax deficiencies totaling $429,371 for years through June 30, 1954, with interest to June 30, 1956, of $87,745. Further possible deficiencies and interest for the years subsequent to June 30, 1954, amount to approximately $60,000. The subsidiary has protested these deficiencies as well as deficiencies and interest of approximately $105,000 for California franchise taxes for years through June 30, 1949. Further franchise tax deficiencies of approximately $35,000 would result from disallowance of the stepped-up property basis by the Internal Revenue Service.

The liability for additional federal income taxes and California franchise taxes for 1956 and prior years which may result from final interpretation of tax laws and regulations is not presently determinable. The reserve for prior years' federal income taxes at June 30, 1956, amounted to $356,478.

3. PENSION PLANS

The unfunded past service cost under pension plans amounted to approximately $692,000 at June 30, 1956. The annual cost of the plans, exclusive of past service costs, is estimated at approximately $230,000.

4. LONG TERM INDEBTEDNESS

Long term obligations payable after one year were outstanding at June 30, 1956, as follows:

CONSOLIDATED FOODS CORPORATION:	
Promissory notes, 4%, due June 1, 1962/66	$ 7,600,000
Promissory notes, 4%, due June 1, 1962—October 1, 1964	1,380,500
Term bank loan, 4¼%, due December 31, 1956—June 30, 1961	7,500.000
SUBSIDIARY COMPANIES:	
Sinking fund debentures, 4%, due January 1, 1964	2,608,000
Serial debentures, 3½%, due April 1, 1957/1970	999,000
Installment notes, 4%, due December 31, 1956/1960	210,000
Installment notes, 4¾%, due March 1, 1957/1966	210,000
Conditional sales contracts for purchase of fixtures and equipment, payable in monthly installments over maximum period of three years	210,382
	$20,717,882
Less amounts payable within one year	2,142,573
Net total payable after one year	$18,575,300

The aggregate annual requirements for fixed and sinking fund payments on long term debt each year for the five fiscal years following June 30, 1956, are as follows: in 1957 $2,142,573, in 1958 $2,101,802, in 1959 $2,071,007, in 1960, $2,035,000, and in 1961, $2,045,000.

In addition to the foregoing requirements, there are contingent payments (based on earnings and sales of property and equipment) on indebtedness of subsidiaries.

5. SURPLUS RESTRICTIONS

Under provisions of the agreement covering the issue of 4% Promissory Notes of the Corporation, earned surplus is subject to certain restrictions regarding its use for stock purchases and retirements, investments in affiliates, and dividends other than stock dividends and regular dividends on preferred stock outstanding on June 30, 1952. The amount available for such restricted purposes at June 30, 1956, was $4,773,988. Nor may such stock purchases and retirements, investments, and dividends operate to reduce consolidated net current assets of the Corporation and its subsidiaries after July 1, 1952, to less than $21,000,000. The agreements relating to other long term indebtedness place restrictions on the payment by subsidiaries of dividends other than stock dividends and impose specific requirements for the maintenance of working capital.

6. SINKING FUND AND MARKET FUND FOR 5¼% CUMULATIVE PREFERRED STOCK

SINKING FUND—On each August 1, to and including August 1, 1961, the Corporation is required to deposit $200,000 in a sinking fund to be applied to the retirement of shares of Preferred Stock by purchase or redemption, and on August 1, 1962, and on each August 1, thereafter, so long as there are shares of Preferred Stock outstanding, to deposit an amount which is equal to 3% of the aggregate par value of all shares of Preferred Stock issued and outstanding, unconverted, as of January 1, 1962.

MARKET FUND—On each February 1, while shares of Preferred Stock are outstanding, the Corporation is required to apply a market fund to the purchase and retirement of the largest possible number of shares of Preferred Stock tendered to the Corporation at prices not to exceed $49.00 per share. The market fund so to be applied prior to February 1, 1962, is $196,000 and the market fund to be applied on February 1, 1962 and thereafter is an amount equal to 3% of the aggregate par value of the shares of Preferred Stock issued and outstanding on the first day of January immediately preceding.

7. LONG TERM AND OTHER COMMITMENTS

Certain properties are occupied by the Corporation and subsidiaries under long term leases. On June 30, 1956, the total minimum annual fixed rentals on such leases expiring after June 30, 1961, was approximately $645,000 per annum, and they had an average composite life of approximately six years from the latter date.

At June 30, 1956, subsidiaries of the Corporation had deferred payment contracts outstanding in the amount of $125,046 for the purchase of closing machines, which had been rented from can manufacturing companies on an annual rental basis in prior years. No consideration has been given to these contracts in the accompanying statements beyond the payments made prior to June 30, 1956, and at that date their remaining life was approximately three years.

A subsidiary of the Corporation is contingently liable under a continuing guarantee of loans of a joint venture of which the subsidiary is a party. The maximum guarantee is limited to $4,000,000; loans of the joint venture amounted to $2,658,000 at June 30, 1956.

ACCOUNTANTS' CERTIFICATE

To the Board of Directors and Stockholders of Consolidated Foods Corporation:

We have examined the consolidated balance sheet of Consolidated Foods Corporation and subsidiaries as of June 30, 1956, and the related consolidated statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of income and surplus present fairly the consolidated financial position of the companies at June 30, 1956, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

"F. W. LAFRENTZ & CO.,"

Chicago, Illinois, September 5, 1956. Certified Public Accountants.